

Message Text

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ACTION OES-09

INFO OCT-01 EUR-12 ISO-00 ACDA-12 CIAE-00 INR-10 IO-13

L-03 NSAE-00 NSC-05 EB-08 NRC-05 SOE-02 DODE-00

DOE-15 SS-15 SP-02 CEQ-01 PM-05 SAS-02 SSO-00

INRE-00 AF-10 ARA-10 EA-10 NEA-10 /160 W

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O 161731Z AUG 78

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC IMMEDIATE 7603

INFO AMEMBASSY BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 02 VIENNA 07376

USIAEA

USEEC

DEPT PASS IO/SCT, S/AS

DOE PASS AMMONS, IA

E.O. 11652: GDS

TAGS: IAEA, AORG, TECH

SUBJECT: IAEA BOARD MEETINGS AND GENERAL CONFERENCE,
SEPTEMBER 14-22

REFERENCES: (A) VIENNA 6716, (B) MOSCOW 18771

1. SUMMARY. THERE FOLLOW OUR PRELIMINARY THOUGHTS ON
ANTICIPATED AGENDA (DRAFT AGENDA HAS NOT RPT NOT BEEN
CIRCULATED, BUT SECRETARIAT INFORMED US OF EXPECTED
ITEMS) FOR IAEA BOARD MEETING SCHEDULED TO COMMENCE
10:30 A.M., SEPTEMBER 14, AND EXPECTED TO CONCLUDE
THAT EVENING OR FRIDAY, THE 15TH, AT MID-DAY. STATUS
OF ITEMS EXPECTED TO ARISE AT GENERAL CONFERENCE
REMAINS AS OUTLINED REF A. FIRST MEETING OF NEW BOARD,
TENTATIVELY SCHEDULED FOR FRIDAY AFTERNOON, SEPTEMBER 22,
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IS CURRENTLY EXPECTED TO BE CONFINED TO ELECTION OF ITS
OFFICERS. WE RECOMMEND CONSULTATIONS BY AMBASSADOR
SMITH WITH DIRECTOR GENERAL EKLUND, BOARD CHAIRMAN,
FRG, USSR AND PERHAPS BELGIUM BEFORE INITIAL BOARD
MEETING. WE NOTE FROM REF B THAT SOVIETS WISH TO
DISCUSS NPT WITH US AND UK. END SUMMARY.

2. ITEM 1A - IAEA/EURATOM NEGOTIATIONS. THREE FACILITY ATTACHMENTS WHICH WERE PRIME SUBJECT OF JUNE BOARD AND DG'S AUGUST 1 WRITTEN REPORT (VIENNA 6996) MAY WELL BE COMPLETED BY THIS BOARD MEETING. WE HOPE THAT DG WILL ALSO BE ABLE TO REPORT SUBSTANTIAL PROGRESS ON FOUR OF REMAINING FIVE DIFFICULT FACILITY ATTACHMENTS MENTIONED IN HIS WRITTEN REPORT, BUT WE VERY MUCH DOUBT ANY OF THESE WILL BE COMPLETE.

3. ASSUMING THIS IS IN FACT THE SITUATION AT THE TIME THE BOARD MEETS, WE WOULD RECOMMEND A US STATEMENT SIMILAR TO THAT OF THE PAST THREE BOARD MEETINGS-- WELCOMING PROGRESS MADE BUT EXPRESSING CONCERN OVER THE TIME THE PROCESS IS TAKING AND URGING ALL CONCERNED TO MAKE EVERY EFFORT TO EXPEDITE THE NEGOTIATIONS. IF THE THREE FACILITY ATTACHMENTS ARE NOT RPT NOT COMPLETED AND SIGNED, ELEMENT OF CONCERN IN OUR STATEMENT SHOULD BE BEEFED UP.

4. IN ANY CASE, WE WOULD SUGGEST THAT WASHINGTON GIVE SERIOUS CONSIDERATION TO AMBASSADOR SMITH'S HAVING EARNEST BILATERAL TALKS WITH GERMANS, AND PERHAPS BELGIANS AND ITALIANS, TO GET A BETTER IDEA OF THEIR CONCERNS AND TO STRESS IMPORTANCE WE ATTACH TO MOVING AHEAD ON THE IAEA/EURATOM NEGOTIATIONS. IT SEEMS FROM OUR PERSPECTIVE THAT THESE COULD PROFIT FROM A PUSH
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FROM THE US AT THIS POINT. FURTHERMORE, EUROPEANS MIGHT CONCLUDE US WAS RELATIVELY UNCONCERNED IF OPPORTUNITY AFFORDED BY VIENNA MEETINGS FOR A DISCUSSION OF THIS SORT WAS NOT RPT NOT TAKEN. US WILL AGAIN BE ASKED STATUS OF US VOLUNTARY OFFER IN SENATE.

5. WE DO NOT RPT NOT KNOW HOW SHARP A LINE SOVIETS WILL TAKE. HEAD OF THEIR MISSION HAS STILL NOT RPT NOT RETURNED TO VIENNA AND WE HAVE SEEN NO RPT NO SIGNS OF LOBBYING ON THEIR PART TO LAY THE GROUNDWORK FOR A "CONCLUSIVE" DISCUSSION BY THE BOARD--SOMETHING THAT CZECH AMBASSADOR TOLD US IN LATE JULY WAS BEING CONSIDERED (VIENNA 6540).

6. ITEM 1B - THE SAFEGUARDS IMPLEMENTATION REPORT FOR 1977. THE CONCLUSIONS OF THE 1977 SIR WERE COMMENTED ON EXTENSIVELY AT THE JUNE BOARD MEETING AND PROBABLY WILL NOT RPT NOT BE DISCUSSED AGAIN TO ANY EXTENT. HOWEVER, WE EXPECT THE DG (PER FISCHER'S COMMENT TO US) TO STATE THAT THESE CONCLUSIONS SHOULD NOT BE TAKEN TO IMPLY THAT IAEA IS ABLE TO GIVE ABSOLUTE, 100 PERCENT ASSURANCE THAT THERE WAS NO DIVERSION. WE CAN EXPECT FURTHER

CRITICISM OF THE SIR BY A FEW COUNTRIES, SUCH AS ARGENTINA, WHICH FEEL THAT THE SHORTCOMINGS OF THEIR DOMESTIC SAFEGUARDS SYSTEMS MAY BE DETECTED BY DETAILED ANALYSIS OF THE SIR, AND BY A FEW, SUCH AS FRG, WHO ARE CONCERNED THAT THE SIR MAY HAVE THE INDIRECT EFFECT OF ESTABLISHING TOO RIGOROUS SAFEGUARDS OBJECTIVES. WE SUGGEST THAT THE US STATEMENT BRIEFLY NOTE THE PURPOSE OF THE SIR (OBJECTIVE SELF-EVALUATION ON WHICH TO BASE IMPROVEMENT EFFORTS) AND THAT IT ENCOURAGE OBJECTIVITY AND FORTHRIGHTNESS IN THE DOCUMENT.

7. 1C - ROUTINE BOARD APPROVAL OF NEW SAFEGUARDS AGREEMENTS (PROBABLY VENEZUELA AND SURINAM). WE SHOULD

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WELCOME THESE AGREEMENTS (VENEZUELAN AGREEMENT WAS STRONGLY ENCOURAGED BY US) AND PERHAPS MAKE A STATEMENT URGING ALL NPT PARTIES THAT HAVE NOT DONE SO TO CONCLUDE SIMILAR AGREEMENTS.

8. ITEM 2 - REACTOR PROJECTS. PENDING REQUESTS FROM YUGOSLAVIA AND INDONESIA FOR RESEARCH REACTOR FUEL ARE AWAITING US RESPONSE AND DRAFT TEXTS OF SUPPLY AGREEMENTS. AT THIS STAGE, IT APPEARS UNLIKELY THAT THE TEXTS WILL BE READY FOR THE BOARD. ACCORDINGLY, WE EXPECT THIS ITEM TO BE DELETED.

9. ITEM 3 - GUIDING PRINCIPLES FOR TECHNICAL ASSISTANCE. WHETHER THIS WILL BE ON THE AGENDA DEPENDS TO SOME EXTENT ON WHETHER PROBLEM OF INCLUSION OF CLEAR PROHIBITION ON TECHNICAL ASSISTANCE IN MANUFACTURE,

ETC. OF NUCLEAR EXPLOSIVE DEVICES HAS BEEN RESOLVED (VIENNA 6778). IF SO, OUR STATEMENT SHOULD WELCOME THE DOCUMENT. IF NOT, WE UNDERSTAND THAT MATTER WILL BE DROPPED FROM THE AGENDA.

10. ITEM 4. A REQUEST FOR BOARD APPROVAL TO EXCLUDE SMALL QUANTITIES OF SPECIAL NUCLEAR MATERIAL FROM CONFIDENTIAL

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THE VIENNA CONVENTION ON CIVIL LIABILITY. WE ARE TOLD THIS HAS BEEN THOROUGHLY STAFFED AND THEREFORE SHOULD RAISE NO CONTROVERSY. WE THEREFORE ANTICIPATE THE US COULD SUPPORT THIS, IF INDEED IT HAS TO MAKE ANY STATEMENT AT ALL.

11. ITEM 5. EXPANSION OF THE BOARD (ARTICLE VI.A.2). TO DATE, PAKISTAN REMAINS THE ONLY SPONSOR OF THE TWO-MEMBER EXPANSION PROPOSAL AND IT IS POSSIBLE THIS MAY NOT RPT NOT BE PUSHED VERY HARD--THE NEW PAKISTANI AMBASSADOR TOLD THE IAEA SECRETARIAT THIS PROPOSITION SEEMED TO LACK GENERAL SUPPORT; AND HE WAS "NOT RPT NOT PREPARED TO COMMIT SUICIDE" AT HIS FIRST BOARD MEETING NOR WOULD HE ASK FOR A VOTE DURING GENERAL CONFERENCE. IF OTHERS GO INTO SUBSTANCE OF ISSUE AT BOARD, US SHOULD REITERATE ITS OPPOSITION TO EXPANSION.

12. ITEM 6. TRANSFER OF FUNDS AMONG AGENCY DEPARTMENTS. ROUTINE, AS IT IS NOT RPT NOT ANTICIPATED THAT A REQUEST FOR SUPPLEMENTAL FUNDS WILL BE MADE DESPITE THE DROP IN THE DOLLAR.

13. ITEM 7. EMOLUMENTS OF STAFF. THIS WILL INCLUDE A REQUEST THAT THE BOARD APPROVE AN INCREASE OF SALARIES FOR LOWER LEVEL PERSONNEL TO COMPENSATE FOR COST OF LIVING INCREASES. THE AMOUNT OF THE INCREASE HAS BEEN RECOMMENDED BY A JOINT MANAGEMENT/EMPLOYEE COMMITTEE AND ALREADY APPROVED BY UNIDO. THE IAEA MANAGEMENT, WHILE NOT RPT NOT HAPPY WITH IT, PRESENTLY FEELS IT HAS LITTLE CHOICE BUT TO GO AHEAD. WE INCLINED TO AGREE, BUT OUR FINAL RECOMMENDATION MUST AWAIT RECEIPT OF SPECIFIC PROPOSAL.

14. ITEM 8. JOINT INSPECTION UNIT. IT IS CURRENTLY CONFIDENTIAL

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EXPECTED THAT THE DG WILL RECOMMEND BOARD APPROVAL OF FORMAL AGENCY LINKS WITH THE UN'S JOINT INSPECTION

UNIT, ALBEIT WITH CERTAIN STIPULATED RESERVATIONS.
AS THIS IS BEING DONE LARGELY AT US URGING, WE SHOULD
MAKE A STATEMENT WELCOMING THE STEP (ASSUMING THE
RESERVATIONS ARE ACCEPTABLE).

15. ITEM 9. SCIENTIFIC ADVISORY COMMITTEE. THE DG
WILL SEEK THE AGREEMENT OF THE BOARD TO HIS CHOICE. HIS
CONSULTATIONS WITH MEMBERS (INCLUDING THE US) BEFORE THE
BOARD SHOULD ASSURE ROUTINE APPROVAL OF HIS FINAL
NOMINEES.

16. THE MEETING OF THE NEW BOARD FOLLOWING THE GENERAL
CONFERENCE (CURRENTLY PLANNED FOR SEPTEMBER 22) WILL
ELECT ITS CHAIRMAN. IT WILL PRESUMABLY APPROVE THE
NOMINEE OF THE MIDDLE EAST AND SOUTH ASIAN AREA (WHOSE
TURN IT IS TO CHAIR THE BOARD). THE CURRENT PRESUMPTIVE
NOMINEE IS ETEMAD OF IRAN. (PAKISTAN'S EFFORT TO
PERSUADE THAILAND TO YIELD ITS SEAT ON THE BOARD TO
PAKISTAN SEEMS TO BE GETTING NOWHERE, AND, EVEN IF
PAKISTAN IS ON THE BOARD, IT WOULD HAVE TO PERSUADE
ETEMAD TO YIELD TO MUNIR KHAN, IF THE LATTER IS TO BE
ELECTED.) THE US WILL PRESUMABLY GO ALONG WITH WHICHEVER
INDIVIDUAL IS CHOSEN BY THE REGION CONCERNED. THE
BOARD VICE PRESIDENTS WILL PRESUMABLY BE AN EASTERN
EUROPEAN AND ONE OTHER, AND SHOULD NOT RPT NOT BE
CONTROVERSIAL.

17. WE RECOMMEND THAT THE SECOND AMENDMENT TO US-IAEA
AGREEMENT FOR COOPERATION NOT RPT NOT BE PLACED ON
AGENDA FOR SEPTEMBER BOARD. WE CONTINUE TO FEEL IT
WOULD BE BEST TO DEFER BOARD CONSIDERATION OF THIS UNTIL
IT HAS ONE OR MORE SUPPLY AGREEMENTS UP FOR APPROVAL AT
THE SAME TIME. KIRK

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